

4 of the Native American Housing Assistance and Self-Determination Act of 1997 (25 U.S.C. 4103).

Unit of general local government means a city, town, township, county, parish, village, or other general purpose political subdivision of a State; and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this part. When a county is an urban county, the urban county is the unit of general local government for purposes of the HTF program.

Urban county has the meaning given the term in 24 CFR 570.3.

Very low-income renter households means a household whose income is in excess of 30 percent but not greater than 50 percent of the area median income, with adjustments for smaller and larger families, as determined by HUD.

Very low-income families means low-income families whose annual incomes are in excess of 30 percent but not greater than 50 percent of the median family income of a geographic area, as determined by HUD with adjustments for smaller and larger families. "Very low-income family" also includes any family that resides in a nonmetropolitan area that does not exceed the poverty line applicable to the family size involved.

§ 93.3 Waivers.

HUD may, upon a determination of good cause and subject to statutory limitations, waive any provision of this part and delegate this authority in accordance with section 106 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3535(q)).

Subpart B—Allocation Formula; Reallocations

§ 93.50 Formula allocation.

(a) *Allocations to States.* HUD will provide to the States allocations of funds in amounts determined by the formula described in this part.

(b) *Amount available for allocation.* The amount of funds available for allocation by the formula is the balance re-

maining after providing for other purposes authorized by Congress, in accordance with the Act and appropriations.

(c) *Allocations for the insular areas.* The allocation amount for each insular area is determined by multiplying the funds available times the ratio of renter households in each insular area to the total number of renter households in the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the insular areas.

(d) *Allocations for the 50 States, the Commonwealth of Puerto Rico, and the District of Columbia—(1) Amounts available for allocations.* The amount of funds that is available for allocation by the formula to the 50 States, the Commonwealth of Puerto Rico, and the District of Columbia is determined using the most current data available from the U.S. Census Bureau that is available for the same year for all these geographic areas. The amount is equal to the balance of funds remaining after determining formula allocations for the insular areas under § 93.50(c). For purposes of paragraphs (d)(1) and (2) of this section, the term "State" means any of the 50 United States, the Commonwealth of Puerto Rico, and the District of Columbia.

(2) *Allocations.* (i) Allocations to the States are determined using the four needs factors described in § 93.51(a) through (d), multiplying each factor by the amount available under § 93.51(d)(1) by its priority weight, and summing the four factors for each State.

(ii) The factor described in § 93.51(a) is weighted 0.5. The factors described in § 93.51(b) and (d) are weighted at 0.125 and the factor described in § 93.51(c) of this section is weighted at 0.25.

(iii) The sum of the four needs factors for each State is then multiplied by the construction cost factor described in § 93.51(e) of this section and by the total amount of funds available for State allocations.

§ 93.51 Formula factors.

(a) *Need factor one.* The ratio of the shortage of standard rental units both affordable and available to extremely low-income renter households in the State to the aggregate shortage of standard rental units both affordable

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and available to extremely low-income renter households in all the States.

(b) *Need factor two.* The ratio of the shortage of standard rental units both affordable and available to very low-income renter households in the State to the aggregate shortage of standard rental units both affordable and available to very low-income renter households in all the States.

(c) *Need factor three.* The ratio of:

(1) Extremely low-income renter households in the State living with either incomplete kitchen or plumbing facilities, more than one person per room, or paying more than 50 percent of income for housing costs, to

(2) The aggregate number of extremely low-income renter households living with either incomplete kitchen or plumbing facilities, more than one person per room, or paying more than 50 percent of income for housing costs in all the States.

(d) *Need factor four.* The ratio of very low-income renter households in the State paying more than 50 percent of income on rent relative to the aggregate number of very low-income renter households paying more than 50 percent of income on rent in all the States.

(e) *Construction cost factor.* The resulting sum calculated from the factors described in paragraphs (a) through (d) of this section shall be multiplied by the relative cost of construction in the state. For purposes of calculating this factor, the term “cost of construction”:

(1) Means the cost of construction or building rehabilitation in the State relative to the national cost of construction or building rehabilitation; and

(2) Is calculated so that values higher than 1.0 indicate that the State’s construction costs are higher than the national average, a value of 1.0 indicates that the State’s construction costs are exactly the same as the national average, and values lower than 1.0 indicate that the State’s cost of construction are lower than the national average.

§ 93.52 Minimum allocations.

(a) In accordance with the HTF statute, HUD is required to provide each of the States and the District of Columbia

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with a minimum grant of \$3 million. If the formula amount determined for a fiscal year is less than \$3 million to any of the 50 States or the District of Columbia, then the allocation to that State or the District of Columbia is increased to \$3 million, and allocations to States and the District of Columbia above \$3 million and to the Commonwealth of Puerto Rico and the insular areas are adjusted by an equal amount on a pro rata basis.

(b) If in any fiscal year, funding in the HTF is insufficient to provide each of the 50 States and the District of Columbia with a minimum grant of \$3 million, HUD will, through notice published in the FEDERAL REGISTER for public comment, describe an alternative method for allocating grant funds to the 50 States and the District of Columbia.

§ 93.53 Federal Register notice of formula allocations.

Not later than 60 calendar days after the date that HUD determines the formula amounts under this subpart, HUD will publish a notice in the FEDERAL REGISTER announcing the availability of the allocations to States.

§ 93.54 Reallocations by formula.

(a) HUD will reallocate under this section:

(1) Any HTF funds available for reallocation because HUD reduced or recaptured funds from an HTF grantee under § 93.400(d) for failure to commit or expend the funds within the time specified, or under § 93.453 for failure to comply substantially with any provision of this part;

(2) Any HTF funds reduced for failure by the grantee to obtain funds required to be reimbursed or returned under § 93.450; and

(3) Any HTF funds remitted to HUD under § 93.403(b)(4) when a grantee ceases to be an HTF grantee for any reason.

(b) Any reallocation of funds must be made only among all participating States, except those States from which the funds were recaptured or reduced.

(c) Any amounts that become available for reallocation shall be added to amounts for formula allocation in the succeeding fiscal year.